

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PARCEL SELECT CONTRACT 1 (MC2012-16)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-23

**NOTICE OF UNITED STATES POSTAL SERVICE OF
CHANGE IN PRICES PURSUANT TO AMENDMENT TO
PARCEL SELECT CONTRACT 2**
(March 18, 2014)

The Postal Service hereby provides notice that prices under Parcel Select Contract 2, in the above-captioned proceeding, have changed as contemplated by the contract's terms.¹ A redacted version of the amendment to Parcel Select Contract 2 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective one business day after the day that the Commission completes its review of this filing.

The supporting financial documentation and a certified statement, as required by 39 C.F.R. § 3015.5, are included with this filing. The certified statement is provided in Attachment B. Redacted versions of the financial analysis are being filed today along with this pleading. Unredacted versions are being filed under seal. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

¹ The Postal Service initially requested to add Parcel Select Contract 1 to the competitive product list via the instant docket, but the Commission noted that a Parcel Select Contract 1 already existed. Thus, the Commission renamed the proposed new product Parcel Select Contract 2. See Notice and Order Concerning Request to Add Parcel Select Contract 2 to the Competitive Product List, May 8, 2012 (Order No. 1335).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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March 18, 2014

ATTACHMENT A

**REDACTED AMENDMENT TO
PARCEL SELECT CONTRACT 2**

**AMENDMENT OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND**

REGARDING PARCEL SELECT SERVICE

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED]

[REDACTED] ("Customer") entered into a shipping services contract regarding Parcel Select Service on April 25, 2012.

WHEREAS, the Parties desire to amend the Terms in Sections I.B, I.C, I.D, I.E, and I.G for Customer, and to revise under this contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective one business day following the day on which the Commission issues all necessary regulatory approval.

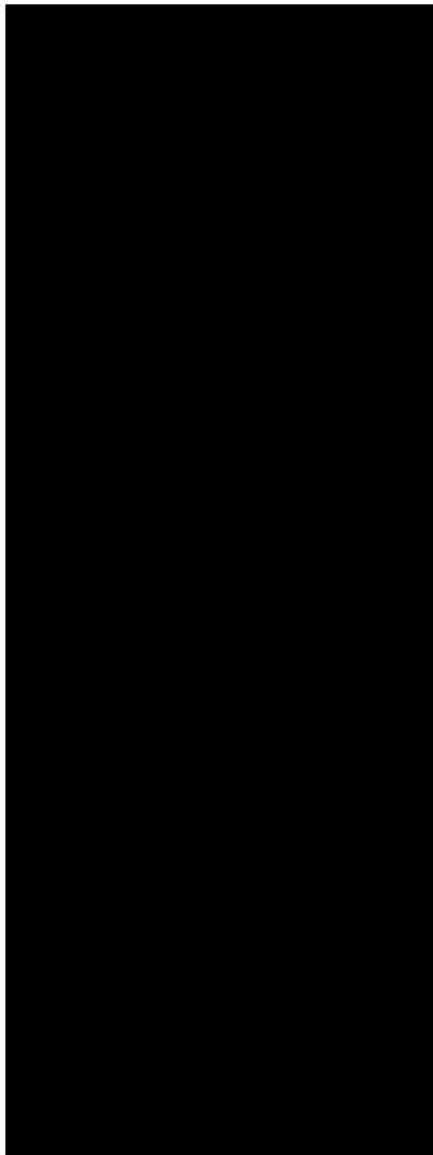
I. Terms

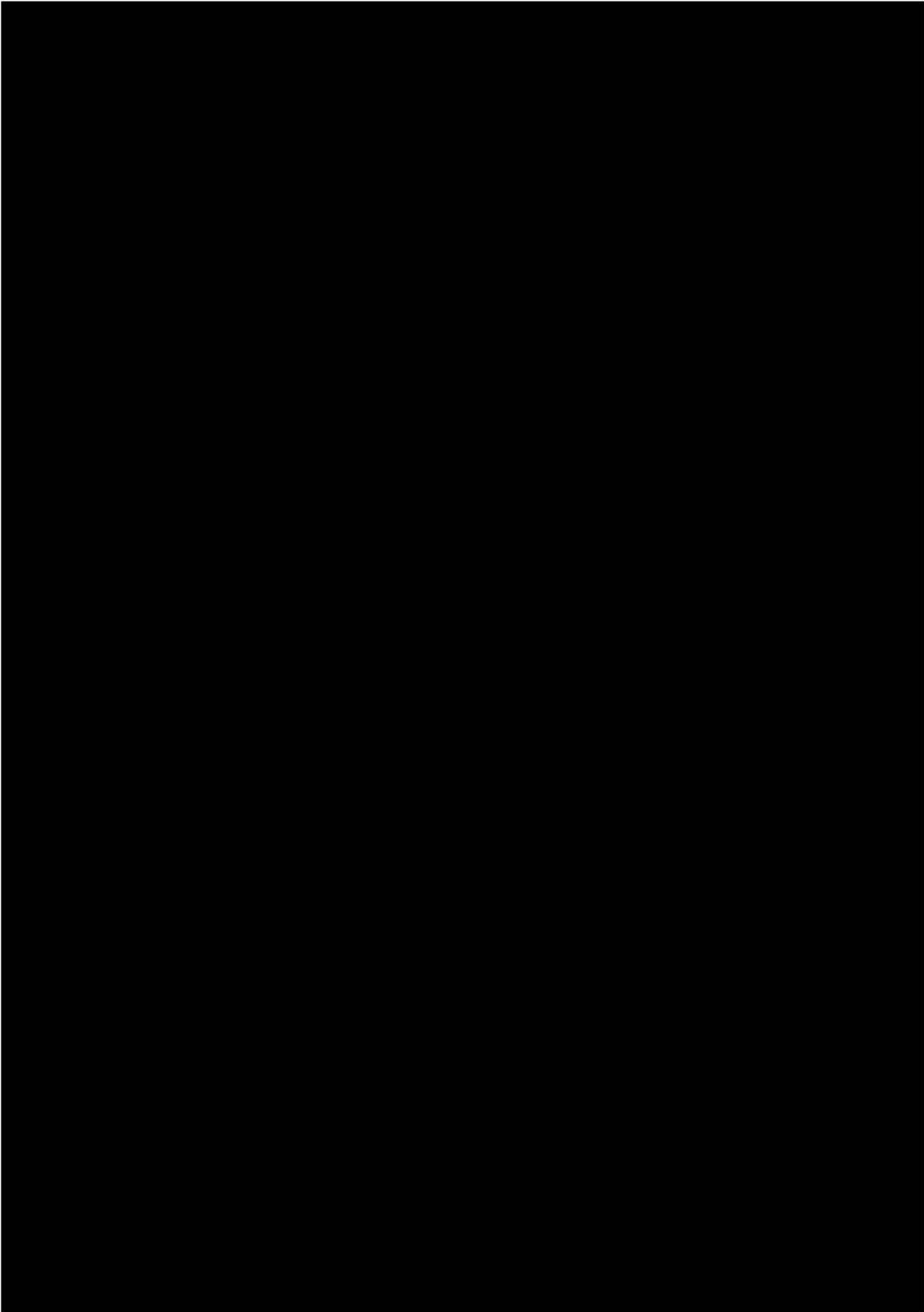
- B. This contract applies to Customer's Parcel Select DDU pieces ("DDU pieces") and Parcel Select DSCF 5-Digit pieces ("DSCF pieces") that are [REDACTED] subject to the following limitations: (1) any DDU or DSCF pieces addressed to any ZIP Code in Attachment A, and (2) any pieces mailed as Parcel Select Lightweight packages, do not qualify for contract pricing under this contract. The ZIP Codes contained in Attachment A may be modified once a year by the Postal Service and will take effect on June 1st of each Contract Year.
- C. Minimum Volume Requirement. Customer shall mail a minimum of [REDACTED] DDU pieces and a minimum of [REDACTED] DSCF pieces in each Contract Year to qualify for the applicable contract prices as outlined in Table 1 and Table 2 below. If the base minimum DDU pieces or DSCF pieces are not met each Contract Year, Customer will be required to pay the difference between the applicable contract price and the published price.
- D. Customer will manifest its DDU and DSCF pieces as specified by the Postal Service, using the Electronic Verification System (eVS).

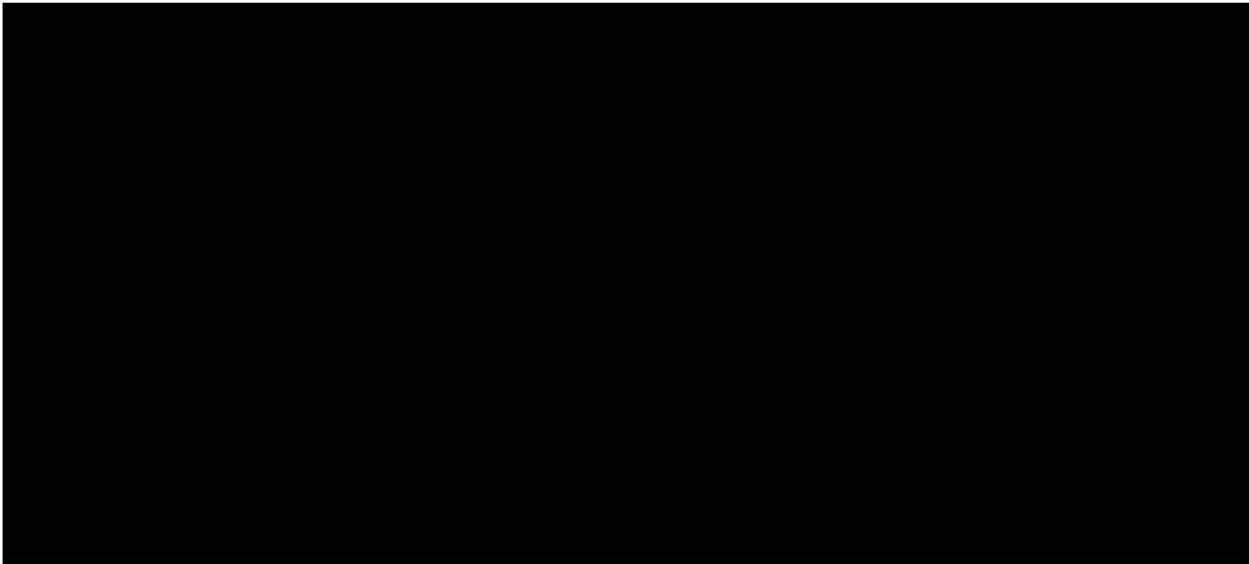
E. Price Calculation

1. *Contract Years.* "Year(s)" or "Contract Year(s)" refers to the one-year period(s) from June 1 through May 31, unless otherwise specified.
2. *Contract Quarters.* "Quarter(s)" or "Contract Quarter(s)" refers to the periods as follows:

Quarter 1:	June 1 - August 31
Quarter 2:	September 1 - November 30
Quarter 3:	December 1 – February 28 (29 in leap year)
Quarter 4:	March 1 – May 31
6. Effective the day following Postal Regulatory Commission approval of this amendment, the prices below apply to Customer's DSCF pieces until the next anniversary of the contract's effective date.







NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective one business day following the day on which the Commission issues all necessary regulatory approval.

IN WITNESS WHEREOF, the Parties hereto have caused this contract to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: _____

Printed Name: _____

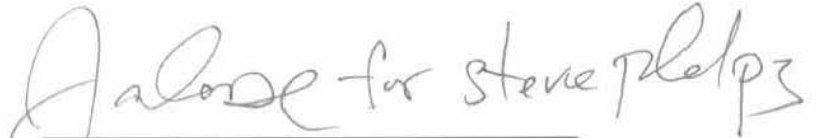
Title: _____

Date: _____

Certification of Prices for Amendment to Parcel Select Contract 2

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select Contract 2. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



Steven R. Phelps